The Reform Road Map was drafted in response to requests from USAID staff and partners for a clear statement describing the goals and emphasis of the Agency's ongoing reform efforts. The Agency Strategic Plan describes the overall mission of USAID and the goals we aim to achieve. The International Affairs Strategic Plan describes how USAID goals and those of other foreign affairs agencies work together to support U.S. national interests. These strategies describe what we do. To remain relevant and succeed, USAID must concentrate increasingly on how we work and look for ways to do our work more efficiently, with more continuous learning and adapting. Following is the vision of how we want to work as we enter the 21st century. This vision summarizes what we hope to achieve through reform.

Our vision calls for an organization that has USAID's experience, field presence, and capabilities but that is more consistent, flexible, responsive, and efficient than ever before. Achieving improvements requires organizational transformation from a traditional hierarchy model, in which work is fragmented into specialized tasks and there is intensive use of rules and regulations to specify appropriate action, to a more seamless structure, one that concentrates much more on desired outcomes and allows greater organizational flexibility for achieving them. A common starting point in reforming traditional organizations involves use of explicitly stated core values to guide behavior and decision-making from a higher plane. In this context, core values serve as a broad statement on the behaviors that are sought in a wide range of situations. USAID's *five core values* (managing for results, customer focus, teamwork and participation, empowerment and accountability, and valuing diversity) are typical of organizations going through such a reform process. They serve as a centerpiece and reference point for all reform efforts.

Institutional reforms are typically introduced in a three-stage process involving design, implementation, and alignment phases. The last phase is considered essential to success, as new systems must be adjusted to one another

to work well. In USAID, the design phase for the reforms occurred during l994 and l995, and initial implementation took place during the next two years. Since 1998 the Agency has been engaged in aligning systems and approaches to benefit fully from the reforms. Since organizational reforms throughout the Agency typically require 3 to 10 years to become fully institutionalized, the next 2 to 3 years will be critical to consolidate changes and achieve tangible and lasting performance improvements. If we slow down at this stage, we will be left with an incompatible mix of old and new structures, guidance, and processes. The desired performance improvements will not materialize.

At the *Agencywide level,* reform efforts over the next two years will concentrate on four priority areas: strengthening reform leadership, improving performance of critical Agencywide systems, improving Washington–field relations, and intensifying training.

Strengthening Reform Leadership

The l998 stocktaking found a need for strong leadership in promoting reform efforts. Some Agency managers and staff have applied reforms with excellent results. Too many, though, have felt

stymied by a sense that the hierarchy does not provide adequate support or follow-through. This broadly felt concern is recognized in management literature as a common problem faced by organizations seeking to implement change.

To address this issue, steps are being taken to

- Improve teamwork and decision-making at senior management levels

- Clarify reform leadership

- Recognize and reward executive leadership

- Ensure authoritative interpretation of operational policies and procedures

Reform Vision

USAID seeks to evolve into a model 21st-century international development agency that has the operational flexibility, technical skills, and institutional strength to meet 21st-century global challenges. This means

- Being dynamic and proactive in addressing both long-term development challenges and shorter term crises that undermine sustained progress

- Selecting the most worthwhile goals, achieving success consistently, and demonstrating our impact

- Being recognized as a highly valued partner by our colleagues in other U.S. foreign affairs agencies, host-country institutions, and public, private, and international donor organizations

- Having a strong and flexible field presence that enables us to devise better programs, implement them more quickly, and avoid costly mistakes

- Applying the lessons of successes and failures systematically, and providing leadership in tackling complex problems that demand multiagency or multidonor responses

- Working more effectively and collaboratively with our implementing partners

- Improving our internal processes so they are more productive, less costly to operate, and much more responsive to the customers they serve, both inside and outside the Agency

Improving Agencywide Systems

In carrying out its work across the globe, USAID depends on seven interrelated management systems that cut across bureau and office boundaries. These are 1) managing for results, 2) funding allocation, 3) acquisition and assistance, 4) funds accounting, 5) work-force management, 6) information management, and 7) policy and procedures guidance. Washington-level reform efforts will continue to concentrate on and better align these systems. The objectives are to reduce cost, improve performance, and promote the core values more consistently, thereby allowing a greater portion of resources to be applied to realizing development results in the field. To achieve this, individuals have been assigned responsibility for overall functioning of each system. Staff and partner feedback will be sought to assess system performance and identify conflicts. Effective teamwork across organizational boundaries will be needed to make improvements.

Improving Washington–Field Relations

Cultivating results management at the Washington level means shifting emphasis from the traditional input-oriented, second-guessing approach to one led by a sense of shared responsibility for results achievement. With this emphasis, bureaus can concentrate on streamlining and reducing bureaucratic requirements and responding effectively to staffing constraints and other bottlenecks that affect field efforts. Significant coordination issues have been identified with respect to certain central bureau programs and missions. In particular, efforts are under way to *improve Washington–field relations with respect to program and staffing support to missions, information flow and coordination between field and centrally managed programs, and clarification of roles and responsibilities at the field level with respect to the State Department.* While full resolution will depend in part on better information technology (under development), much can be done in the short term simply through better communication among units (formal and informal). Each bureau will develop specific efforts to address these issues.

Intensifying Reform-Related Training

To be successful, reform efforts require training and learning. The Office of Human Resources, in close collaboration with system experts and practitioners throughout the Agency, is designing and implementing a new Agencywide training program centered on our new planning and management systems. Effort will be made to include partner organizations where useful and appropriate. Portions of this program that specifically relate to reform efforts include 1) a leadership and program operations program and 2) a new competency-based technical program.

At the *operating unit level,* each mission and Washington operating unit is asked to develop its own reform action plan. These plans should aim to promote the reform vision and core values described in the reform road map and concentrate on the following five themes:

- Strengthen strategic objective team functioning

- Improve internal customer services

- Promote results-oriented management that involves partners and customers

- Reduce and update mission notices to reflect strategic objective team structures and core values

- Use staff performance appraisals to encourage reforms and selective reengineering efforts targeted at mission-level processes that need streamlining